

**Possum Point
Ash Pond Closure
Bid Review
Draft**

The bids provided by Trans Ash, Glover Construction, and C. A. Murren for the Possum Point Ash Pond Closure Project each have a large delta with Trans Ash being the lowest, Glover Construction the middle, and C. A. Murren the highest. While waiting for the GAI review of the bids, this analysis was performed to understand the differences and potentially reconcile the lowest bid with the other two based on exclusions and assumptions. The review focused on bid items that had a delta greater than \$500K between Trans Ash and Glover Construction. These bid items were dewatering(ABC: 5, D:6), water treatment(ABC,D, E:6) soil cover screening (ABC:24, D:26) and subgrade conditioning and compaction (D:16, E:14). When focusing on only these specific item estimates, as shown in the spreadsheet, titled “Pond Closure Bid Costs”, they show a delta of \$10,713,273 between Trans Ash and Glover Construction and a delta of \$10,467,469 between Trans Ash and C.A. Murren.

The following is a summary of these high delta bid items from Trans Ash’s clarifications:

In the Technical clarifications p.10, Trans Ash mentions Pond ABC line 5 dewatering would only occur through rim ditches and pumps but not well point systems. It is not mentioned in Pond D, line 6 but Tran Ash confirmed that the work would occur similarly.

In the Technical clarifications p.11 &14 under ABC Pond line 24 Soil Cover and Pond D line 26 Soil Cover Trans Ash is assuming that “only 25% of the total soil would require screening”.

In the Technical clarifications p.12 under Pond E line 14 subgrade it notes that the “the 220,000cuyd of material will be compacted differently”.

In the Technical clarifications p.13 under Pond D line 16 subgrade it notes that the “material is in a moisture condition that permits placement without additional moisture conditioning”.

In the Technical clarifications p.12 under Pond E line 6 it places all of the treatment costs for the entire project. This is the one area where Glover Construction is less than both Trans Ash and C. A. Murren but included to maintain consistency with cost differences over \$500K.

Questions were sent to Trans Ash requesting information to back-up the differences for dewatering, soil cover screening, and subgrade conditioning. A copy of their letter is attached, titled “Trans Ash Possum Response”.

For their soil cover and treatment clarifications, it is a reasonable assumption that one may not need to screen or condition all of the soil, but if they do, their costs will increase whereas Glover Construction’s costs, that assumed all soil to be screened, will decrease. Since soil requirements

may change and we will not know until completion of the 100% design package, this assumption is a best guess and does not necessarily confirm a lower price.

As for the dewatering clarification, Trans Ash responded accordingly:

“Trans Ash has utilized the “rim ditch” dewatering system to stabilize and excavate ash ponds for over 30 years. By strategically utilizing rim ditch operations coupled with our experience, a significant cost savings can be achieved by Dominion without sacrificing the schedule or quality of work performed. Although Trans Ash is confident that well points are an avoidable expense for this scope, we believe the system will work and will gladly accommodate Dominion in this approach with a revised proposal if desired.”

This is a very significant assumption that could potentially lead to scheduling difficulties. During the Pond E dredge, we have been able to witness the effect of an operating well point system in conjunction with rim ditching. The well points that currently withdraw approximately 150gpm were installed on May 19, 2015 in addition to the rim ditching. The first ash was removed June 15, 2015. Currently, more than 300,00cuyds of ash have been removed from Pond E. Part of the reason we chose to mechanically dredge Pond E was that Dominion agreed with the dredging contractor that well points should be used. Dominion therefore included that operation as a line item in the bid forms. From a financial standpoint, this is an approximate \$9.9M difference. If Trans Ash were to add this to their proposal, this item alone could bring their bid to within \$4.2M of Glover’s bid thereby narrowing the delta.

GAI provided their analysis of the three bids titled “GAI Contractor Bid Evaluation Summary” July 17, 2015. With their review, they also pointed out the large price deltas associated with dewatering, soil screening, and conditioning that corroborate the Dominion review. One additional component that they noted was the difference between the Trans Ash and Glover Construction schedule. The CCR deadline for closure of the ponds is April 16, 2018. Trans Ash proposes to complete the project by September 28, 2017 as compared to Glover Construction’s completion date of December 30, 2016. Understanding that Glover Construction’s schedule is aggressive, it allows for additional time contingency due to weather and any other unforeseen time constraints. By allowing Trans Ash to perform the work and opting not to dewater via well-points and therefore extend out the Pond D closure schedule, the Trans Ash schedule could potentially pose project completion issues.

Overall to date, Glover Construction has proven that they are a capable, experienced, and very accommodating civil contractor as it pertains to the Pond E mechanical dredge and with the future Pond ABC mechanical dredge. Their input into approach and implementation of a project has delivered the results that Dominion has sought since the inception of this project. With the exceptions taken by Trans Ash, the disparity between their two bids narrows significantly when well point systems are included into their bid. The disparity further reduces based on soil screening and conditioning. Based on this information, it is the writer’s opinion that Glover Construction be awarded the Possum Point Project bid and proceed to the next step of contract negotiation.